

SB 965 (DeSaulnier)
As Amended – April 7, 2010

HIGH-SPEED RAIL
Fact Sheet

SUMMARY

SB 965 encourages the timely development of high-speed rail to enhance job creation and establishes reporting requirements. This bill provides the necessary statutory authority and direction for the High Speed Rail Authority (the Authority) to receive and expend federal funds for projects along four distinct high-speed rail corridors in California.

BACKGROUND

On January 28, 2010, the Authority was awarded \$2.25 billion in federal funds to further construction of four distinct corridors in California. This bill provides the Authority with the necessary statutory authority to utilize those federal funds.

Through state bond funds made available with the 2008 passage of Proposition 1A, The Safe, Reliable High-Speed Passenger Train Bond Act, the state will match some level of the awarded federal funds. Assuming the state matches at least half of the federal funds, the total investment in combined funds rises to \$3.375 billion to improve the identified rail corridors.

The Authority estimates that the construction of both Phase I and the remaining corridors to San Diego and Sacramento will create 600,000 construction jobs. The synergies among various sectors of the economy are estimated to result in the creation of 450,000 permanent jobs.

PREVIOUS & RELATED LEGISLATION

SB 964 (Alquist) -- Appropriates \$25 million in High-Speed Rail bond funds (Proposition 1A) to finance the first phase of a workforce training program to construct, maintain and operate a high-speed rail system in California.

AB 1747 (Galgiani) -- Authorizes the Authority to consider, to the extent permitted by federal law and all other applicable provisions of state law, the creation of jobs in California when awarding major contracts or purchasing high-speed trains and related equipment and supplies.

AB 3034 (Galgiani), Chapter 267, Statutes of 2008 - - Revised, updated, and expanded provisions of the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century (Bond Act). AB 3034 also established oversight processes for the independent review and approval of financing and engineering plans for the construction of California's high-speed train system. This bond was approved by the voters in the November, 2008 general election.

THIS BILL

SB 965 authorizes the Authority to receive and invest federal funds to develop the nation's first high-speed rail system capable of traveling at speeds in excess of 200 miles per hour.

The bill requires the Authority to submit to the Legislature a plan for investing those funds and to propose the level of state bond funds it will use to match the awarded federal funds. The Authority must annually report to the Legislature on the progress made toward completing the projects funded by those federal and state dollars.

Specifically, SB 965 does all of the following:

1. Authorizes the Authority to expend ARRA funds, upon appropriation by the Legislature, as follows:
 - For conducting environmental studies, planning analyses, and preliminary engineering activities.

- For capital expenditures, if matched by Proposition 1A bond funds, consistent with the requirements for a peer review.

2. Requires the Authority to take actions that ensure federal funds are obligated and expended in a manner that meets all federal guidelines, maximizes job creation in the state, expedites projects that improve rail-highway safety, mobility, and performance, and makes the most efficient use of Proposition 1A bond funds, including replacing bond funds for project expenditures with federal funds where feasible.

3. Requires the Authority, within 60 days of the enactment of this bill or finalizing a cooperative agreement with FRA for the use of ARRA funds, which ever occurs later, to submit to the Legislative Analyst Office (LAO) and the fiscal committees and the policy committees of the Legislature having jurisdiction over transportation issues an adopted expenditure plan. The expenditure plan shall include:

- A description of the projects proposed for funding.
- A project schedule with milestones and project completion dates for each project.
- An estimate of the number of jobs the projects create in the state.

4. Requires the Authority on December 31, following the preparation of the plan, and annually thereafter to submit an adopted progress report on the status, budget and expenditures for each project.

5. Exempts the Transbay Terminal Joint Powers Agency from the requirements of this bill if the ARRA funds for that project flow through the Authority.

STATUS

April 13th – Senate Appropriations Committee

SUPPORT

- Agenda 2010 ** (sponsor)

**Agenda 2010 is a plan to create 140,000 jobs. It is a modest package of 27 bills focused on jobs, smart investments, education and families.

OPPOSITION

- None on File

FOR MORE INFORMATION

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